

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

MARCH 22, 2010

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
Tre Hargett, Secretary of State
Justin Wilson, Comptroller of the Treasury
David Lillard, State Treasurer

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, State Architect's Office
Dottie Hagood, Real Property Administration
Jurgen Bailey, Real Property Administration
Bob King, Real Property Administration
Genie Whitesell, Attorney General's Office
Janie Porter, Attorney General's Office
Melinda Parton, Comptroller's Office
Jonathan Rummel, Secretary of State's Office
Joy Harris, Treasurer's Office
Annette Crutchfield, Legislative Budget Office
Scott Boelscher, THEC
John Carr, Department of Finance & Administration
Cindy Liddell, Bond Finance
Melanie Buchanan, Real Property Administration
Dick Tracy, Tennessee Board of Regents
Felenceo Hill, Department of Finance and Administration
Greg Steck, Real Property Administration
Alan Durham, Department of Transportation
Austin Durham, student
Tom Robinson, Department of Correction
Gayle Ray, Department of Correction
Jesse Griggs, Department of Correction
LTC Barry Buntin, Military Department
Ralph Brown, Military Department
Mary Sue Garrison, Town of Spring City
Beth Jones, SETDD
Andrew Clark, Barge Waggoner Sumner Cannon

Commissioner Goetz called the meeting to order at 10:35 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

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CONSENT AGENDA

Approved the following real property transactions that had been reviewed and recommended for approval by Subcommittee staff, with the exception of Items I and J, which were deferred for one month (see *action taken on lead sheets*):

- A. Agency: **University of Tennessee – Knox County**
Transaction: Acquisition in fee
- B. Agency: **University of Tennessee – Knox County**
Transaction: Acquisition in fee
- C. Agency: **University of Tennessee – Knox County**
Transaction: Acquisition in fee
- D. Agency: **University of Tennessee – Knox County**
Transaction: Acquisition in fee
- E. Agency: **University of Tennessee – Knox County**
Transaction: Acquisition in fee
- F. Agency: **University of Tennessee – Knox County**
Transaction: Acquisition in fee
- G. Agency: **University of Tennessee – Knox County**
Transaction: Acquisition in fee
- H. Agency: **University of Tennessee – Shelby County**
Transaction: Disposal by lease
- I. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in fee
Provision: Waiver REM FEES
SC Action: Deferred one month
- J. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in fee
Provision: Waiver REM FEES
SC Action: Deferred one month

- K. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in fee
Provision: Waiver REM FEES
- L. Agency: **Tennessee Board of Regents – Shelby County**
Transaction: Acquisition in fee
Provision: Waiver REM FEES
- M. Agency: **Tennessee Board of Regents – Shelby County**
Transaction: Acquisition in fee
Provision: Waiver REM FEES
- N. Agency: **Tennessee Board of Regents – Shelby County**
Transaction: Acquisition in fee
Provision: Waiver REM FEES
- O. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in fee
- P. Agency: **Tennessee Wildlife Resources Agency – Cheatham County**
Transaction: Disposal by easement
Provision: Waiver advertisement & appraisals
- Q. Agency: **Department of Military – Gibson County**
Transaction: Disposal in fee
Provision: Waiver advertisements & appraisals
- R. Agency: **Department of Environment & Conservation – Henderson County**
Transaction: Acquisition in fee
Provision: Waiver advertisements & appraisals
- S. Agency: **Department of Environment & Conservation – Hardin County**
Transaction: Acquisition in fee
Provision: Waiver advertisement & appraisals
- T. Agency: **Department of Environment & Conservation – Hardin County**
Transaction: Acquisition in fee
Provision: Waiver advertisements & appraisals
- U. Agency: **Department of Environment & Conservation – Hardeman County**
Transaction: Acquisition in fee
Provision: Waiver advertisements & appraisals

- V. Agency: **Department of Labor & Workforce Development – Davidson County**
Transaction: Lease amendment
Provision: Waiver advertisement
- W. Agency: **Department of Labor & Workforce Development – Shelby County**
Transaction: Lease agreement
- X. Agency: **Department of Safety – Sumner County**
Transaction: Lease agreement
- Y. Agency: **Department of Human Services – Marion County**
Transaction: Lease agreement
- Z. Agency: **Department of Revenue – New York County**
Transaction: Lease agreement
- AA. Agency: **Department of Finance & Administration – Davidson County**
Transaction: Lease agreement
Provision: Waiver advertisement
- BB. Agency: **Military Department – Davidson County**
Transaction: Demolition/Disposal – Building 160 at Houston Barracks
SBC No: 361/067-01-2010

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Henderson County – 40 +/- acres – Parker's Crossroads Civil War Battlefield, Rock Springs Road / Hwy 22, Parkers Crossroads, TN – Trans. No. 10-02-003 (Baugh)**

Purpose: Disposal by lease for Crop Lease agreement for the property at the Parkers Crossroads Battlefield historic site.

Term: February 1, 2009 thru January 31, 2012 (3 yrs)

Consideration: \$51.00 per acre

Lessee: Tim McDaniel

SSC Report: 03-15-10. Jurgen Bailey summarized transaction. Fred Prouty with the Historical Commission explained that the City of Parker's Crossroads manages this property under a management contract with the State. The City Manager Steve McDaniel (State Rep.) advertised this crop lease on two occasions and one bid was received and opened at a public opening held on February 5, 2009. Tim McDaniel, a relative of Steve McDaniel, was the only bidder. The agency has found no indication of any preferential treatment given to Tim McDaniel. Tim McDaniel has a farming agreement with the former owner when the State acquired this property. The State closed on this property on May 22, 2009 from Mr. Greg Brit. Staff referred to Sub Committee with recommendation.

SC Action: 03-22-10. At the Agency's request, the transaction was deferred.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Davidson County – Superintendant's Residence, 1292 Foster Avenue, Nashville, TN – Trans. No. 10-03-902 (King)**

Purpose: To provide office and meeting space for the TIS / TPS Alumni Association.

Term: March 1, 2010 thru February 28, 2035 (25 yrs)

Proposed Amount: 4,400 Square Feet
Annual Contract Rent Incl. Utility &
Janitorial Cost: \$1.00 annually

Type: New lease

Lessor: State of Tennessee

Comment: The TIS/TPS Alumni Association can cancel this lease with a ninety (90) day notice. The State uses this space for small meetings and the TIS/TPS Alumni Association has set up a museum to house TIS/TPS memorabilia and also to hold small meetings. The TIS/TPS history is also the State's history as the State ran this facility for over 117 years.

SSC Report: 03-15-10. Bob King summarized the transaction. Staff referred to Sub Committee with recommendation.

SC Action: 03-22-10. Bob King presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF CORRECTION

BLEDSOE COUNTY CORRECTIONAL COMPLEX, PIKEVILLE, TENNESSEE

- 1) Commissioner Gayle Ray presented a request for approval of a grant in the amount of \$1,500,000.00 to the Town of Spring City for the Bledsoe County Correctional Complex project in Pikeville, Tennessee. She said that their Department is negotiating long term rates that should recoup the State's \$1.5 million investment. Comptroller Wilson said he understood that the grant will refer to an operating agreement, and that the operating agreement has not been negotiated. Greg Steck, Real Property Administration, responded that the contract has been negotiated, but still needs the approval of the Spring City Board. Secretary Hargett asked about the number of water taps, saying that they can be pretty competitive and he wanted to make sure the right criteria was set. Mr. Steck responded that the Department of Correction will have the opportunity to review all tap requests. Commissioner Goetz asked if this will affect Taft Youth Center and Fall Creek Falls State Park. Mr. Steck replied that, once they come off the Taft water treatment plant, the water will then be available to other users in the Upper Cumberland region and to Fall Creek Falls. Commissioner Goetz made a motion to approve the grant, contingent upon the Town of Spring City's approval. His motion was seconded, and passed without objection.

Estimated Project Cost: \$208,000,000.00
SBC Project No. 142/013-02-2004

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on February 22, 2010.

DESIGNER SELECTIONS

- 1) Approved the following designer selections for projects approved at the March 11 SBC meeting.

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| <p>1) Department of Transportation
(Bridge Inspection Building)
Estimated Project Cost: \$225,000.00
SBC Project No. 242/010-01-2010
Designer: UPLAND DESIGN GROUP</p> | <p>7) Chattanooga State Community College
(IMC Building Upgrades and Corrections)
Estimated Project Cost: \$520,000.00
SBC Project No. 166/012-01-2010
Designer: UPLAND DESIGN GROUP</p> |
| <p>2) DeBerry Special Needs Facility
(Hot Water Heaters Replacement)
Estimated Project Cost: \$1,100,000.00
SBC Project No. 142/011-01-2010
Designer: JACK FREEMAN / NEVILLE
ENGINEERING, JOINT VENTURE</p> | <p>8) Pellissippi State Community College
(Roof Replacements and Exterior Repairs)
Estimated Project Cost: \$1,420,000.00
SBC Project No. 166/032-01-2010
Designer: BARBER MCMURRY</p> |
| <p>3) Department of Correction – Statewide
(Water Storage Tank Repairs & Maintenance)
Estimated Project Cost: \$1,000,000.00
SBC Project No. 140/001-01-2010
Designer: TLM ASSOCIATES</p> | <p>9) Pellissippi State Community College
(Hardin Valley HVAC Upgrades)
Estimated Project Cost: \$100,000.00
SBC Project No. 166/032-02-2010
Designer: FACILITY SYSTEMS</p> |
| <p>4) Mark Luttrell Correctional Center
(Food Service Equipment Repair/Replacement)
Estimated Project Cost: \$560,000.00
SBC Project No. 140/005-01-2010
Designer: EVANS TAYLOR FOSTER CHILDRESS</p> | <p>10) Pellissippi State Community College
(Magnolia Campus Renovations)
Estimated Project Cost: \$500,000.00
SBC Project No. 166/032-03-2010
Designer: COMMUNITY TECTONICS</p> |
| <p>5) University of Tennessee Martin
(University Center Improvements)
Estimated Project Cost: \$1,000,000.00
SBC Project No. 540/011-02-2010
Designer: TLM ASSOCIATES</p> | <p>11) Pellissippi State Community College
(McWhorter HVAC and Fire System Upgrades)
Estimated Project Cost: \$215,000.00
SBC Project No. 166/032-04-2010
Designer: KELSO REGEN ASSOCIATES</p> |
| <p>6) Austin Peay State University
(Campus Fiber Loop Installation)
Estimated Project Cost: \$150,000.00
SBC Project No. 166/003-06-2010
Designer: KURZYSKE & ASSOCIATES</p> | <p>12) Pellissippi State Community College
(McWhorter Lab Renovations)
Estimated Project Cost: \$425,000.00
SBC Project No. 166/032-05-2010
Designer: STUDIO 4 DESIGN</p> |
| | <p>13) West TN Megasite – Haywood County
(Water & Wastewater Infrastructure Development)
Estimated Project Cost: \$615,000.00
SBC Project No. 529/000-02-2010
Designer: SSOE, INC.</p> |

Consent Agenda Items

A.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Knox County – 904 Twenty Second Street, Condo – Unit 1, Knoxville, TN – Trans. No. 10-02-025 (Baugh)</u>
Purpose:	Acquisition in fee for the University to have the property appraised and approval to acquire the property. The property is in the University's Master Plan.
Source of Funding:	The University of Tennessee / Land Acquisition Account
Estimated Cost:	Fair Market Value
Owner(s):	Patrick L. & Debra T. Ryan
SSC Report:	03-15-10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

B.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Knox County – 906 Twenty Second Street, Condo – Unit 2, Knoxville, TN – Trans. No. 10-02-026 (Baugh)</u>
Purpose:	Acquisition in fee for the University to have the property appraised and approval to acquire the property. The property is in the University's Master Plan.
Source of Funding:	The University of Tennessee / Land Acquisition Account
Estimated Cost:	Fair Market Value
Owner(s):	Patrick L. & Debra T. Ryan
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

C.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Knox County – 908 Twenty Second Street, Condo – Unit 3, Knoxville, TN – Trans. No. 10-02-022 (Baugh)**

Purpose: Acquisition in fee for the University to have the property appraised and approval to acquire the property. The property is in the University's Master Plan.

Source of Funding: The University of Tennessee / Land Acquisition Account

Estimated Cost: Fair Market Value

Owner(s): Gary E. & Wendy K. Bennett

SSC Report: 03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 03-22-10. Subcommittee approved the request as presented.

D.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Knox County – 910 Twenty Second Street, Condo – Unit 4, Knoxville, TN – Trans. No. 10-02-027 (Baugh)</u>
Purpose:	Acquisition in fee for the University to have the property appraised and approval to acquire the property. The property is in the University's Master Plan.
Source of Funding:	The University of Tennessee / Land Acquisition Account
Estimated Cost:	Fair Market Value
Owner(s):	Phillip F. & Virginia H. Barber
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

E.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Knox County – 912 Twenty Second Street, Condo – Unit 5, Knoxville, TN – Trans. No. 10-02-024 (Baugh)**

Purpose: Acquisition in fee for the University to have the property appraised and approval to acquire the property. The property is in the University's Master Plan.

Source of Funding: The University of Tennessee / Land Acquisition Account

Estimated Cost: Fair Market Value

Owner(s): Patrick L. & Debra T. Ryan

SSC Report: 03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 03-22-10. Subcommittee approved the request as presented.

F.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Knox County – 914 Twenty Second Street, Condo – Unit 6, Knoxville, TN – Trans. No. 10-02-021 (Baugh)**

Purpose: Acquisition in fee for the University to have the property appraised and approval to acquire the property. The property is in the University's Master Plan.

Source of Funding: The University of Tennessee / Land Acquisition Account

Estimated Cost: Fair Market Value

Owner(s): William T. & Barbara H. Hale

SSC Report: 03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 03-22-10. Subcommittee approved the request as presented.

G.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Knox County – .11 +/- acres – 2118 Lake Avenue, Knoxville, TN – Trans. No. 10-02-023 (Baugh)</u>
Purpose:	Acquisition in fee for the University to have the property appraised and approval to acquire the property. The property is in the University's Master Plan.
Source of Funding:	The University of Tennessee / Land Acquisition Account
Estimated Cost:	Fair Market Value
Owner(s):	Dr. & Mrs. Lowell McCauley
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

H.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Shelby County – 1.35 +/- acres – 687 Jefferson Avenue, Memphis, TN – Trans. No. 10-02-015 (Maholland)**

Purpose: Disposal by lease by the University of Tennessee on behalf of their Health Science Center for a new lease to replace an expired lease to Alpha Beta Welfare Corp. (Alpha Beta Alumni Association).

Term: Five (5) years with four (4) five (5) year options to renew

Consideration: Lease payments may include debt services, operations and maintenance services (performed by the University), maintenance reserve fund, insurance, utilities, computer network services and other expenses for which the University should be reimbursed. Land rent payments will not be required by the University. Phi Chi, or its respective housing corporation, has an equity interest in the property improvements as determined by independent appraisals. The lease can be terminated for convenience with six (6) months notice and payment of equity interest.

Lessee: Alpha Beta Alumni Association

SSC Report: 03/15/10. Jurgen Bailey summarized the transaction. Robbi Stivers stated that the requested Fraternity Lease transaction is similar to Fraternity & Sorority Leases recently completed at I Knoxville and at other Board of Regent institutions. The Fraternity shall have an equity interest in the building improvements should the University ever need to use the property for other purposes. The term of the lease is for five (5) years with four (4) five (5) year options to renew without charging a rental fee. The Fraternity will pay operating and maintenance costs associated with the building. Staff referred to Subcommittee for consent agenda.

SC Action: 03-22-10. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER OF REM FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Rutherford County – 1.2 +/- acres – 1818 Greenland Drive, Murfreesboro, TN – Trans. No. 04-01-015 (Woodard)</u>
Purpose:	Acquisition in fee to purchase this property. This is one of the “62” properties on the Master Plan that was approved at the June 26, 2008 Executive subcommittee.
Source of Funding:	2008-2009 GO Bonds
Cost:	\$303,000 appraisal value
Owner(s):	Catherine F. Clark
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Discussion ensued regarding the process for estimating real estate values. Secretary Hargett made a motion to defer the item until the next meeting. The motion was seconded and passed without objection.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER OF REM FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Rutherford County – 1.25 +/- acres – 1812 Greenland Drive, Murfreesboro, TN – Trans. No. 04-01-018 (Woodard)</u>
Purpose:	Acquisition in fee to purchase this property. This is one of the “62” properties on the Master Plan that was approved at the June 26, 2008 Executive subcommittee.
Source of Funding:	2008-2009 GO Bonds
Cost:	\$200,000 appraisal value
Owner(s):	Catherine F. Clark
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Discussion ensued regarding the process for estimating real estate values. Secretary Hargett made a motion to defer the item until the next meeting. The motion was seconded and passed without objection.

K.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER OF REM FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Rutherford County – Lot 6 Wiles Court, Murfreesboro, TN – Trans. No. 08-09-008 (Maholland)</u>
Purpose:	Acquisition in fee to purchase this property. This is one of the “62” properties on the Master Plan that was approved at the June 26, 2008 Executive subcommittee.
Source of Funding:	2008-2009 GO Bonds
Cost:	\$52,400 appraisal value
Owner(s):	Catherine F. Clark
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER OF REM FEES, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 3527 Watauga Avenue, Memphis, TN – Trans. No. 09-05-019 (Maholland)</u>
Purpose:	Acquisition in fee to purchase this property for future campus expansion. This is one of the “102” properties on the Master Plan that was approved at the July 23, 2007 Executive subcommittee.
Source of Funding:	2007-2008 GO Bonds
Cost:	\$156,000 appraisal value
Owner(s):	Frederick T. Carney
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

M.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER OF REM FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Shelby County – 3616 Watauga Avenue, Memphis, TN – Trans. No. 09-11-031 (Maholland)**

Purpose: Acquisition in fee to purchase this property for future campus expansion. This is one of the “102” properties on the Master Plan that was approved at the July 23, 2007 Executive subcommittee.

Source of Funding: 2007-2008 GO Bonds

Cost: \$142,000 appraisal value

Owner(s): Janet Wall

SSC Report: 03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 03-22-10. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER OF REM FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 3599 Watauga Avenue, Memphis, TN – Trans. No. 09-11-032 (Maholland)</u>
Purpose:	Acquisition in fee to purchase this property for future campus expansion. This is one of the “102” properties on the Master Plan that was approved at the July 23, 2007 Executive subcommittee.
Source of Funding:	2007-2008 GO Bonds
Cost:	\$158,000 appraisal value
Owner(s):	Richard & Carole Working
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

O.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Rutherford County – 2306 Louise Street, Murfreesboro, TN – Trans. No. 10-02-016 (Maholland)</u>
Purpose:	Acquisition in fee to purchase this property for future campus expansion. The property is located behind four (4) parcels that MTSU owns on East Main Street. Property is in the MTSU Master Plan.
Source of Funding:	Auxiliary funds
Cost:	\$95,000 estimated value
Owner(s):	John S. Anderson
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Cheatham County – .40 +/- acres – Griffintown Road, Ashland City, TN – Trans. No. 10-02-014 (Jackson)</u>
Purpose:	Disposal by easement to convey electrical easement to Dickson Electric for Cheatham County New Trash convenient center.
Estimated Sale Price:	Grant
Grantee:	Dickson Electric Company for the benefit of Cheatham County
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

Q.

DEPARTMENT OF MILITARY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Gibson County – 1.103 +/- acres – Industrial Drive, Trenton, TN – Trans. No. 10-02-012 (Woodard)</u>
Purpose:	Disposal in fee to exchange property to benefit Military and the City of Trenton Industrial Board. The property Military is acquiring will give us more road frontage and full ownership of a driveway used by the National Guard.
Original Cost to State:	Unknown
Date of Original Conveyance:	January 23, 1988
Grantor unto State:	City of Trenton
Estimated Sale Price:	Grant
Grantee:	City of Trenton Industrial Board
Comment:	Transfer to City of Trenton 1.103 +/- acres for 0.55 +/- acres from City of Trenton.
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Lt. Colonel Buntin stated what we were losing on acreage in this land swap we would make up by getting better access and more road frontage as well as losing the maintenance responsibility on the larger tract. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

R.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER of ADVERTISEMENT & APPRAISALS, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Henderson County – 4.51 +/- acres – Parker’s Crossroads Civil War Battlefield, Rock Springs Road, TN – Trans. No. 10-02-019 (McLeod)</u>
Purpose:	Acquisition in fee to acquire the property that is currently threatened by private purchase with plans to develop the site.
Source of Funding:	Civil War Preservation Trust - \$41,656.52 American Battlefield Protection Program - \$41,000
Estimated Cost:	\$82,656.52
Owner(s):	Civil War Preservation Trust
Comment:	Property will be donated to the State
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. The only expense the State will incur is paying for the survey, title work and closing costs. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

S.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Hardin County – 2,400 +/- sq. ft. – Pickwick Landing, Pickwick Dam, TN – Trans No. 10-02-017 (McLeod)</u>
Purpose:	Acquisition in fee to acquire property encroached upon by golf course.
Source of Funding:	State Land Acquisition Funding
Estimated Cost:	\$5,000
Owner(s):	Richard Daugherty
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

T.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Hardin County – 2,400 +/- sq. ft. – Pickwick Landing, Pickwick Dam, TN – Trans No. 10-02-028 (McLeod)</u>
Purpose:	Acquisition in fee to acquire property encroached upon by golf course.
Source of Funding:	State Land Acquisition Funding
Estimated Cost:	\$5,000
Owner(s):	Barry Jagers, etux
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

U.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and WAIVER of ADVERTISEMENT & ONE (1) APPRAISAL, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Hardeman County – 20.44 +/- acres – Davis Bridge Civil War Battlefield, Pocahontas, TN – Trans. No. 10-02-020 (McLeod)</u>
Purpose:	Acquisition in fee to acquire the property that is currently threatened by private purchase with plans to develop the site.
Source of Funding:	Civil War Preservation Trust - \$5,000 American Battlefield Protection Program - \$52,500 Tennessee Wars Commission Endowment Grant - \$45,700 (State Funds) Tennessee Civil War Preservation Association - \$5,000 Davis Bridge Memorial Foundation - \$1,000
Estimated Cost:	\$109,200
Owner(s):	Joe Elkins
SSC Report:	03/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	03-22-10. Subcommittee approved the request as presented.

V.

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE ADMENDMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Davidson County – 2222 – 2262 Metro Center Blvd., Nashville, TN – Trans. No. 04-06-908 (Smith)

Purpose: To provide additional space for increase of staff.

Term: April 1, 2010 thru December 31, 2014 (4 years 9 months)

Proposed Amount: 18,080 Square Feet
Average Annual Contract Rent Incl.
Utility & Janitorial Cost: \$258,755.35 @ \$14.31 per sf
Total Annual Effective Cost: \$258,755.35 @ \$14.31 per sf

Current Amount: 14,550 Square Feet
Average Annual Contract Rent Incl.
Utility & Janitorial Cost: \$207,338.12 @ \$14.25 per sf
Total Annual Effective Cost: \$207,338.12 @ \$14.25 per sf

Type: Amend # 1 – Negotiated

FRF Rate: \$18.00

Lessor: Lake Front Office Park, LLC

Comment: Alterations and modifications to the 3,530 sf amended space, according to plans and specifications agreed upon between the Lessor and the State, shall be performed prior to occupancy by the State, and the costs of these alterations and modifications shall be borne entirely by the Lessor, and shall be at no additional cost to the State. All other terms and conditions of the Lease Agreement shall remain unchanged and in full force and effect. The small increase was created because this lease escalates and the least expensive rent has occurred earlier in the lease period.

SSC Report: 03/15/10. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 03-22-10. Subcommittee approved the request as presented.

W.

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Shelby County – 942 West Poplar Avenue, Suite 10, Collierville, TN – Trans. No. 09-04-908 (Lotspiech)**

Purpose: To provide office space for the county operations

Term: January 1, 2011 thru December 31, 2015 (5 years)

Proposed Amount: **4,494 Square Feet**

Annual Contract Rent:	\$ 88,756.50	@ \$ 19.75 per sf
Est. Annual Utility Cost:	\$ 7,864.50	@ \$ 1.75 per sf
Est. Annual Janitorial Cost:	\$ 4,943.40	@ \$ 1.10 per sf
Total Annual Effective Cost:	\$101,564.40	@ \$ 22.60 per sf

Current Amount: **1,949 Square Feet**

Annual Contract Rent:	\$ 27,286.00	@ \$ 14.00 per sf
Est. Annual Utility Cost:	\$ 2,728.60	@ \$ 1.40 per sf
Est. Annual Janitorial Cost:	\$ 2,143.90	@ \$ 1.10 per sf
Total Annual Effective Cost:	\$ 32,158.50	@ \$ 16.50 per sf

Type: New Lease – Advertised – Received three (3) proposals from two (2) proposers. The agency has rejected the 1st & 2nd proposals based on insufficient parking.

FRF Rate: \$18.00

Lessor: Premier Management Company, current lessor

Comment: Proposed lease provides the following: No cancellation except for cause and/ or lack of funding; Lessor to provide approximately 4,494 rsf of office space to include interior tenant build out at no additional cost to the State. The Lessor has to move the State from the middle of the strip mall to an end plus build an addition. We advertised this lease twice. The increase in space is due to tremendous increase in unemployment and a large increase in staff to handle this.

SSC Report: 03/15/10. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda

SC Action: 03-22-10. Subcommittee approved the request as presented.

X.

DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Sumner County – 855 North Bluejay Way, Gallatin, TN – Trans. No. 08-06-908 (Smith)

Purpose: To provide office space for DLI & THP

Term: April 1, 2010 thru March 31, 2015 (5 years)

Proposed Amount:	<u>5,410 Square Feet</u>		
	Annual Contract Rent:	\$69,900.00	@\$12.92 per sf
	Est. Annual Utility Cost:	\$ 9,467.50	@\$ 1.75 per sf
	Est. Annual Janitorial Cost:	<u>\$ 5,951.00</u>	<u>@\$ 1.10 per sf</u>
	Total Annual Effective Cost:	\$85,318.50	@\$15.77 per sf

Current Amount:	<u>5,410 Square Feet</u>		
	Annual Contract Rent:	\$69,900.00	@\$12.92 per sf
	Est. Annual Utility Cost:	\$ 9,467.50	@\$ 1.75 per sf
	Est. Annual Janitorial Cost:	<u>\$ 5,951.00</u>	<u>@\$ 1.10 per sf</u>
	Total Annual Effective Cost:	\$85,318.50	@\$15.77 per sf

Type: New Lease – Advertised – Received only one proposal from the current lessor, Pedigo-Gallatin Properties, LP.

FRF Rate: \$18.00

Lessor: Pedigo-Gallatin Properties, LP

Comment: Proposed lease provides the following: No cancellation except for cause and/ or lack of funding; Lessor to provide approximately 5,410 rsf of office space to include improvements at no additional cost to the State.

SSC Report: 03/15/10. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda

SC Action: 03-22-10. Subcommittee approved the request as presented.

Y.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Marion County – 4926 Main Street, Suite A, Jasper, TN – Trans. No. 08-02-905 (Smith)**

Purpose: To provide office space for the county operations

Term: July 1, 2010 thru June 30, 2020 (10 years)

Proposed Amount:	<u>5,882 Square Feet</u>		
	Annual Contract Rent:	\$58,800.00	@\$10.00 per sf
	Est. Annual Utility Cost:	\$10,293.50	@\$ 1.75 per sf
	Est. Annual Janitorial Cost:	<u>\$ 6,470.20</u>	<u>@\$ 1.10 per sf</u>
	Total Annual Effective Cost:	\$80,363.70	@\$12.85 per sf

Current Amount:	<u>5,800 Square Feet</u>		
	Annual Contract Rent:	\$38,400.00	@\$ 6.62 per sf
	Est. Annual Utility Cost:	\$ 8,120.00	@\$ 1.40 per sf
	Est. Annual Janitorial Cost:	<u>\$ 6,380.00</u>	<u>@\$ 1.10 per sf</u>
	Total Annual Effective Cost:	\$52,900.00	@\$ 9.12 per sf

Type: New Lease – Advertised – Received only one (1) proposal from the current lessor, Acuff Group, LLC

FRF Rate: \$14.00

Lessor: Acuff Group, LLC, current lessor

Comment: Proposed lease provides the following: Proposed lease has 180-day State cancellation; Lessor to provide approximately 5,882 rsf of office space to include improvements at no additional cost to the State. The improvements consist of paint, carpet and HVAC adjustments. This location has not had a rate increase in ten (10) years and the rate will not escalate for the next ten years. They are under the FRF rate. The difference in square footage is because they have not been charging the State for the State's server room.

SSC Report: 03/15/10. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 03-22-10. Subcommittee approved the request as presented.

Z.

DEPARTMENT OF REVENUE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **New York County – 1500 Broadway, New York, New York – Trans. No. 09-06-941 (Lotspiech)**

Purpose: To provide office space for collection of taxes.

Term: May 1, 2010 thru April 30, 2020 (10 years)

Proposed Amount: 2,997 Square Feet
Annual Contract Rent Incl. Janitorial Cost: \$177,378.00 @\$59.19 per sf
Est. Annual Utility Cost: \$ 10,489.50 @\$ 3.50 per sf
Total Annual Effective Cost: \$187,867.50 @\$62.69 per sf

Current Amount: 2,997 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$149,310.10 @\$49.82 per sf
Total Annual Effective Cost: \$149,310.10 @\$49.82 per sf

Type: New lease – advertised – received only one proposal from the current lessor

Lessor: Zapco 1500 Investment, LP, current lessor

Comment: The proposed lease provides 2,997 square foot of office space. Lessor shall make all tenant alterations at no additional cost to the state. Lessor is to furnish all janitorial services. No cancellation for the first five (5) years except for cause and/ or lack of funding and 180 days thereafter. Due to the nature of New York driving and parking is not an option. The only way to get anywhere is through cabs and public transportation. The Times Square area though it used to be a depressed area is now one of the hottest areas in NYC. Revenue has been in this location for twenty five (25) years and just purchased new furniture to fit this location.

SSC Report: 03/15/10. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 03-22-10. Subcommittee approved the request as presented.

AA.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Davidson County – Tennessee Preparatory School, 1250 Foster Ave., Nashville, TN – Trans. No. 10-03-903 (King)**

Purpose: To provide office space for Metropolitan Government of Nashville and Davidson County for the Magnet School of Arts & Program

Term: March 1, 2010 thru June 30, 2010 – no rental payments due
July 1, 2010 thru June 30, 2011 with extended for four (4) one-year terms with monthly installments of \$34,163.00.

Proposed Amount: 136,653 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$409,956.00 @\$3.00 per sf
Total Annual Effective Cost: \$409,956.00 @\$3.00 per sf

Current Amount: 136,653 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$1.00
Total Annual Effective Cost: \$1.00

Type: New lease

Lessor: State of Tennessee

Comment: Lessee shall pay utility costs and provide routine operating and maintenance functions.

SSC Report: 03/15/10. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 03-22-10. Subcommittee approved the request as presented.

BB.

MILITARY DEPARTMENT

HOUSTON BARRACKS, NASHVILLE, TENNESSEE

- 1) Approved a project for **Building 160 Demolition/Disposal** at Houston Barracks, Nashville, Tennessee, as reviewed by the Tennessee Historical Commission.

Estimated Project Cost: \$0.00
SBC Project No. 361/067-01-2010

Approved by: _____

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration